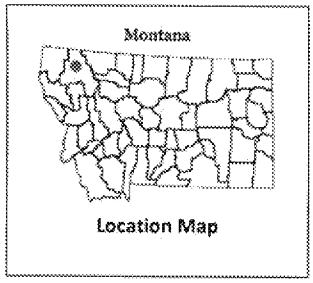


Location Map

Privileged & Confidential—Do Not Release under FOIA (4/17/2015)
Prepared by Site Attorney Mark Chalfant & Enforcement Specialist Scott Wilder

BRIEFING FOR REGIONAL ADMINISTRATOR (5/12/2015)
Columbia Falls Aluminum Reduction Plant
Superfund Site, Montana

RA ACTION REQUESTED: Approval of EPA RI/FS Enforcement Strategy

Current and Emerging Issues:

- Proposed Listing on National Priorities List
  - On 3/26/2015, EPA proposed the Site for listing on the NPL; public comment closes 6/2/2015
  - Gov. Bullock, Columbia Falls Mayor and City Council, and Sen. Tester support listing; Rep. Zinke opposes?
  - Current owner/operator CFAC opposes listing
  - Past owner/operator ARCO position unknown
- Development of EPA Enforcement Strategy
  - Strategy for securing PRP agreement to conduct Remedial Investigation/Feasibility Study (RI/FS)
    - RI: Characterize site conditions, determine nature and extent of waste, and assess risk
    - FS: Develop, screen and evaluate alternative remedial actions

State RI/FS Negotiations:

- In 2014, MDEQ attempted to negotiate agreement with CFAC and its parent company, Glencore, to perform RI/FS
- In late 2014, CFAC terminated RI/FS negotiations with the State, and MDEQ referred the case to EPA

EPA Enforcement Activities:

- In 2014, EPA completed PRP Search Report
- In 2014, EPA sent CERCLA 104(e) information requests to PRPs CFAC and ARCO
- EPA has incurred $743,133 in past costs as of 1/31/2015

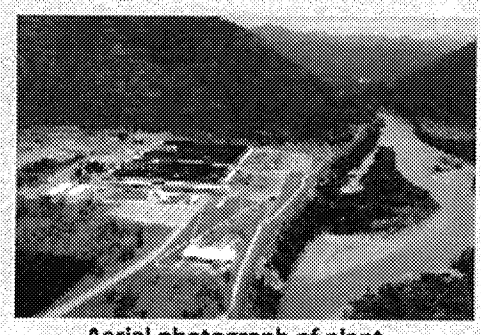
PATH FORWARD:

- Notify PRPs CFAC and ARCO of potential CERCLA liability, and provide draft Administrative Order on Consent (AOC) and Work Plan
- Timing for initiating RI/FS negotiations:
  - *Option #1*: Wait until proposed NPL listing is final
  - *Option #2*: Wait until public comment period closes
  - *Option #3*: Initiate now to be responsive to CFAC request and to meet community expectations*
- Send CERCLA Information Request to Glencore to clarify Glencore-CFAC parent-subsidiary relationship

**Staff recommendation*

Columbia Falls Aluminum Reduction Plant*

- The Aluminum Reduction Plant produced aluminum with a peak annual capacity of 180,000 tons
- The Anaconda Company originally owned and operated the plant, which opened in 1955
- In 1977, the **Atlantic Richfield Company (ARCO)** purchased the Anaconda Company and continued to operate the plant until 1985
- During the 1960s, ARCO expanded the plant twice
- In 1985, ARCO sold the plant to the **Columbia Falls Aluminum Company (CFAC)**
- In 1999, **Glencore**, a privately owned, Swiss-based commodity trading company, acquired CFAC
- In 2009, CFAC closed the plant
- In 2015, Glencore announced that it would not reopen the plant
- The plant was a major economic engine for the Columbia Falls community, and employed 500 people at full capacity


Aerial photograph of plant

**Company website/press release*

Site Description

- Site located in unincorporated Flathead County, MT (pop. 90,928) ~2 miles NE of Columbia Falls (pop. 1,150)
- 3,196-acre industrial property with numerous buildings and industrial operating facilities
- 953-acre historical operations area
- Site features include landfills, percolation ponds, leachate ponds, sludge ponds, sewage treatment ponds and cathode soaking pits

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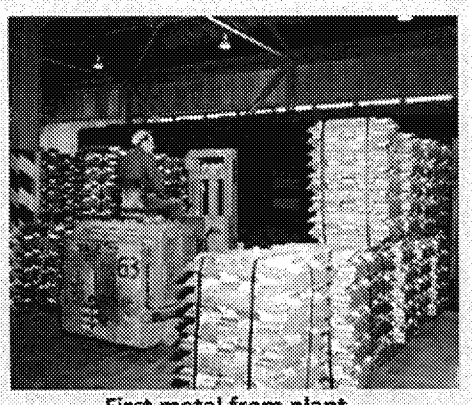
Aluminum Reduction Process and Spent Potliner Material

- Plant utilized aluminum reduction process to produce aluminum
- A byproduct of the process is spent potliner material (SPM)
- SPM is known to contain cyanide compounds that can leach into groundwater
- SPM = RCRA listed haz waste (RCRA code: K088)
- SPM was disposed of in on-site landfills from 1950s to 1980s
- Fluoride sludge also was landfilled on site
- Cyanide and fluoride compounds are CERCLA hazardous substances



First metal from plant being loaded onto railroad cars by forklift operator on 8/24/1955

Attribution: Hungry Horse News (2015)

Potential Site Risks:

Preliminary Assessment / Site Investigation

- In 1984, MDHES performed a **Preliminary Assessment**
- In 1988, EPA conducted a **Site Investigation**, and classified the site as No Further Remedial Action Planned

Site Reassessment

- In 2014, EPA completed a **Site Reassessment** to identify types of hazards and document observed releases:

✓ Groundwater: Cyanide / Fluoride exceed MCLs on site*
Cyanide: 1,040 PPB Max (MCL: 200; Background: 18.77)
Fluoride: 190,000 PPB Max (MCL: 4,000 Background: 100)

✓ Surface Water / Flathead River:
Cyanide / Fluoride: Above background (sediment samples)
Fluoride: Above background, but below EPA SCDM and MDEQ Aquatic Life WQS benchmarks (water samples)

✓ Surface Water / Cedar Creek:
Cyanide: Above background and exceeds all EPA SCDM and MDEQ Aquatic Life WQS benchmarks (water samples)

**2 of 5 sampled domestic wells had detectable cyanide levels, but were below MCLs; no municipal well contamination per routine SDWA monitoring*

Groundwater (Downgradient of Landfills)
Contaminants: Cyanide; fluoride; metals; pesticides
Sources: Leaching from landfills and sludge pond complex; percolation ponds and potentially other unknown sources (*indirect sampling only*)

Surface Water (Cedar Creek and Flathead River)
Contaminants: Cyanide; fluoride; metals
Sources: Groundwater infiltration; groundwater seeps

Percolation Ponds (Water and Sediment)
Contaminants: Cyanide; fluoride; semi-VOCs; metals; pesticides
Sources: Aerial deposition; ponds received process fluids that have since (partially) evaporated or percolated

NPL Listing:

- HRS Score: 68.39 (groundwater + surface water pathways)
- Finalize NPL listing no sooner than 10/2015
- ≥ 1 year if significant public comment

Community Engagement:

- EPA Communications Strategy with targeted NPL outreach
- EPA and State public meetings
- Outreach to local, state and federal officials